B86 10/18/85 54205-1

CURRENT MINNESOTA LABOR MARKET CONDITIONS

September, 1985 Supplement to The Review of Labor and Economic Conditions
Prepared by the Research & Statistics Office, MN Dept. of Jobs & Training, 390 N. Robert St., St. Paul, MN 55101, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics, and Employment & Training Admin.

Nation

The Nation's economy appeared to improve in August as unemployment fell, spending was strong and the slide in manufacturing employment stopped. However, some of the improvement was due to conditions that may turn out to be temporary.

Although the seasonally adjusted unemployment rate fell from 7.3 percent in July to 7.0 percent in August, the lowest since the 6.9 percent in April 1980, most of the unemployment decline occurred among teenagers whose unemployment numbers are quite volatile. Both the household and establishment surveys showed substantial employment growth in August as seasonally adjusted total employment rose by 310,000 and adjusted nonfarm payroll employment climbed by 288,000. The largest gains in payroll employment were in services (149,000) and trade (75,000). Perhaps more noteworthy was that employment in durable goods manufacturing rose after a six month decline. Even though the sharp rise in transportation equipment was overstated because fewer plants closed for retooling, the apparent end of the seven month drop in machinery employment was encouraging.

Developments in other economic indicators in August were somewhat mixed. The very sharp gains in retail sales and personal consumption expenditures were largely the result of cut-rate financing for automobiles. On the other hand, analysts expect that the strong rise in housing starts will be sustained. Meanwhile, industrial production continued to increase at a slow pace.

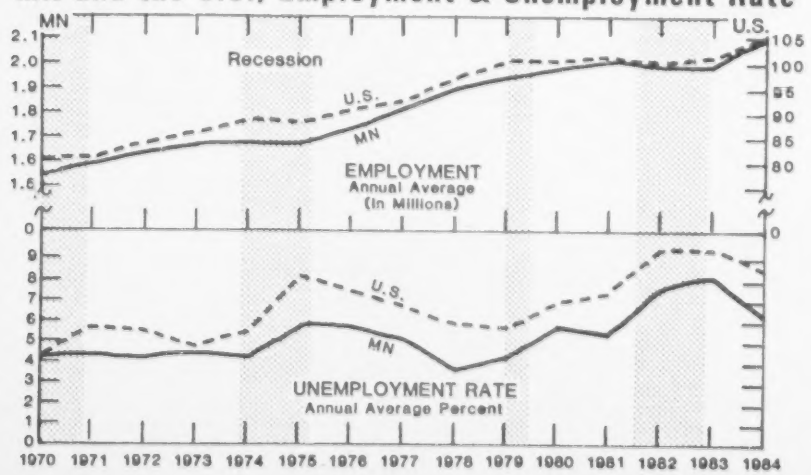
State

Declines in both total and nonfarm payroll employment together with a rise in the unemployment rate suggested that economic conditions in Minnesota deteriorated in August. However, large employment declines in a few industries may have been overstated due to some unusual events.

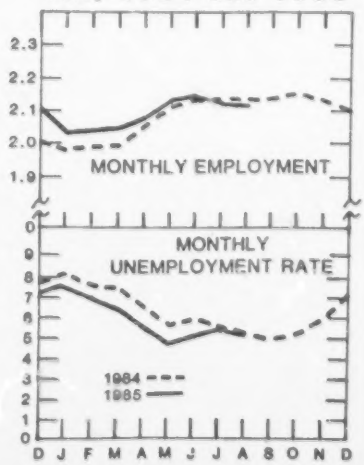
Minnesota's seasonally adjusted unemployment rate rose for the third consecutive month in August, rising by 0.1 of a point to 5.8 percent. The adjusted rate had fallen from 6.6 percent in December to a 4-year low of 5.0 percent in May. Also, seasonally adjusted total employment fell by 3,500 in August after a gain in July and declines in 4 of the 6 previous months. Meanwhile, seasonally adjusted nonfarm payroll employment dropped by 3,800 in August, the first decrease in payroll employment since April. However the drop in total payroll employment in August may have been substantially overstated because of unusual employment declines in transportation equipment and local education. The absence of a shutdown at the Ford plant this year caused distortions in the seasonally adjusted data which resulted in a large employment gain in July and a sharp drop in employment in August. Without this August decline in transportation equipment, employment in durable goods manufacturing would have shown a small seasonally adjusted gain in August. It was not possible to determine the cause of the very large seasonally adjusted drop in employment in local education. If these two unusual employment declines had not occurred, total seasonally adjusted payroll employment would have risen in August.

Labor Force Estimates	MINNESOTA (Numbers in '000's)			UNITED STATES (Numbers in '000,000's)		
	August 1985	Change From Last Mo.	Change From Year Ago	August 1985	Change From Last Mo.	Change From Year Ago
Civilian Labor Force	2238.1	1.6	-18.2	116.7	-0.8	1.6
Employed	2123.4	5.4	-14.7	108.6	-0.2	1.9
Unemployed	114.6	-6.3	-3.6	8.1	-0.6	-0.3
Unemployment Rate						
Actual	5.1	-0.3	-0.1	6.9	-0.5	-0.4
Seasonally Adjusted	5.8	0.1	-0.1	7.0	-0.3	-0.3

MN and the U.S., Employment & Unemployment Rate



MN, 1984 and 1985



Labor Market Conditions

Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings

Industry	EMPLOYMENT[1] (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Aug. 1985	July 1985	Aug. 1984	July 1985	Aug. 1984	Aug. 1985	July 1985	Aug. 1985	July 1985	Aug. 1985	July 1985
Total Nonagricultural	1891.7	1884.3	1845.9	0.4	2.5						
Manufacturing	386.7	381.9	389.4	1.3	-0.7	400.98	398.45	10.01	10.02	40.1	39.8
Durable Goods	228.7	227.9	231.9	0.3	-1.4	417.69	415.84	10.32	10.29	40.5	40.4
Furniture, Lumber and Wood	18.8	18.3	17.4	2.3	7.8	467.48	439.83	10.97	10.80	42.6	40.7
Stone, Clay and Glass	8.6	9.4	9.5	-8.5	-9.9	396.20	391.18	10.44	10.45	38.0	37.4
Primary Metals	6.0	5.8	6.4	3.7	-7.2	350.98	348.94	9.20	9.15	38.2	38.1
Fabricated Metals	35.3	35.1	35.8	0.7	-1.3	463.37	451.87	11.29	11.12	41.1	40.7
Nonelectrical Machinery	93.5	92.9	93.9	0.6	-0.5	437.98	451.23	10.82	10.89	40.5	41.4
Electrical Machinery	27.4	27.5	28.8	-0.4	-4.8	316.24	316.77	7.99	7.94	39.6	39.9
Transportation Equipment	6.8	6.6	7.2	2.3	-5.6	477.00	460.32	11.25	11.20	42.4	41.1
Other Durable Goods[2]	32.4	32.3	32.8	0.3	-1.4	392.13	389.23	9.81	9.83	40.0	39.6
Nondurable Goods	158.0	154.0	157.5	2.6	0.3	379.81	376.07	9.61	9.67	39.5	38.9
Food and Kindred	52.9	49.5	53.7	6.9	-1.4	323.12	326.74	7.94	8.02	40.7	40.7
Textile and Apparel	4.7	4.6	5.4	2.5	-12.4	236.06	231.12	6.18	6.14	38.2	37.6
Paper and Allied	34.4	34.5	34.6	-0.2	-0.6	494.77	493.57	11.74	11.70	42.1	42.2
Printing and Publishing	42.3	42.0	40.2	0.7	5.3	393.19	379.67	10.67	10.70	36.9	35.5
Chemical and Petroleum	10.1	10.1	10.2	0.2	-0.5	448.43	428.27	11.27	11.36	39.8	37.7
Rubber and Leather	13.5	13.2	13.5	1.7	0.1	313.59	296.22	8.47	8.25	37.0	35.9
Nonmanufacturing	1505.0	1502.4	1456.5	0.2	3.3						
Mining and Quarrying	9.5	8.5	9.5	10.8	-0.5	476.70	532.42	12.60	12.71	37.8	41.9
Metal Mining	6.8	5.9	7.0	14.9	-2.7	504.52	565.19	13.60	13.90	37.1	40.7
Construction	86.1	84.1	81.2	2.3	6.0	580.22	601.55	15.49	15.30	37.5	39.3
Building	22.3	22.0	21.6	1.1	3.3	548.07	544.38	14.67	14.22	37.4	38.3
Highway and Heavy	18.0	17.3	16.2	4.0	11.4	546.87	606.78	13.67	13.87	40.0	43.8
Special Trades	45.7	44.8	43.4	2.2	5.4	609.59	629.11	16.69	16.49	36.5	38.2
Transportation	63.7	63.2	61.1	0.7	4.3						
Railroads	9.6	9.6	10.6	0.0	-9.3						
Trucking and Warehousing	27.3	27.0	26.1	1.2	4.7	367.68	370.75	11.49	11.46	32.0	32.3
Public Utilities	35.1	35.1	35.4	0.0	-0.7	532.01	521.99	13.30	13.27	40.0	39.3
Communications	20.3	20.4	20.5	-0.2	-0.8	489.69	481.35	12.23	12.22	40.0	39.4
Elec., Gas and Sanitary	14.8	14.7	14.9	0.3	-0.7	581.83	569.78	14.55	14.51	40.0	39.3
Trade	483.1	480.2	470.3	0.6	2.7	227.44	229.05	7.49	7.57	30.4	30.3
Retail	362.5	359.8	351.0	0.8	3.3	184.24	184.83	6.51	6.59	28.3	28.1
General Merchandise	49.9	49.7	47.5	0.5	5.0	180.67	178.97	6.08	6.20	29.7	28.9
Food Stores	47.7	47.3	47.7	0.7	0.1	200.21	208.19	6.99	7.05	28.7	29.5
Automotive	39.4	39.7	37.1	-0.7	6.0	338.19	337.73	9.19	9.17	36.8	36.9
Eating and Drinking	128.2	126.7	123.3	1.2	4.0	104.40	105.03	4.56	4.64	22.9	22.7
Wholesale	120.6	120.4	119.3	0.2	1.1	379.12	382.15	10.08	10.11	37.6	37.8
F.I.R.E.	111.9	111.9	107.5	0.0	4.1						
Finance	52.0	51.8	50.3	0.5	3.5						
Insurance	40.3	40.6	38.5	-0.8	4.8						
Real Estate	19.6	19.5	18.8	0.6	4.4						
Service	443.6	442.1	424.5	0.3	4.5						
Hotel and Lodging	26.0	25.7	24.7	1.2	5.2						
Business Services	83.3	82.6	75.8	0.8	9.8						
Health Services	139.0	138.7	137.0	0.2	1.5						
Private Education	17.9	17.6	17.9	1.5	-0.1						
Soc., Serv., Museums etc.	93.4	93.7	90.4	-0.3	3.3						
Government	272.0	277.2	267.0	-1.9	1.9						
Federal	31.9	31.9	31.1	-0.1	2.5						
State	65.1	65.5	64.4	-0.6	1.1						
Local	175.0	179.8	171.5	-2.6	2.1						

1/ Totals may not add because of rounding.

2/ Includes Scientific Instruments and Miscellaneous Industries.

Labor Market Conditions

Labor Force Data: State, MSAs, and Counties

Area or County	August 1985 Prelim.			
	Labor Force 1/	Unemp.	Unemp. Rate Aug. 1985	Unemp. Rate Year Ago
State of Minnesota	2238053	114610	5.1	5.2
Metropolitan Areas				
Duluth/Superior MSA	100146	9177	9.2	10.9
St. Louis County	83867	7852	9.4	11.6
City of Duluth	33273	1984	6.0	6.5
Douglas County (Wisc.)	16279	1325	8.1	7.4
Fargo/Moorhead MSA	80183	2796	3.5	3.1
Cass County (N. Dakota)	51663	1667	3.2	2.5
Clay County	28371	1182	4.2	4.2
Mpls./St. Paul-MN-WI MSA	1262291	54059	4.3	4.2
Anoka County	117964	5499	4.7	4.1
Carver County	21943	816	3.7	3.3
Chisago County	15506	732	4.7	4.3
Dakota County	117725	4942	4.2	3.9
Hennepin County	551704	23863	4.3	4.3
City of Bloomington	48261	2308	4.8	4.2
City of Minneapolis	212972	9669	4.5	4.7
Isanti County	13934	729	5.2	4.7
Ramsey County	268562	11621	4.3	4.5
City of St. Paul	156617	7680	4.9	5.0
St. Croix County (Wisc.)	25607	889	3.5	3.9
Scott County	26427	1211	4.6	3.7
Washington County	68043	2349	3.5	3.6
Wright County	34876	1408	4.0	3.4
Rochester MSA-Olmsted Cty.	62477	2283	3.7	3.8
St. Cloud MSA	79746	5011	6.3	7.2
Benton County	12305	748	6.1	7.6
Sherburne County	15078	999	6.6	6.5
Stearns County	52363	3264	6.2	7.3
Counties				
Aitkin	5497	608	11.1	11.1
Becker	12875	937	7.3	9.3
Beltrami	16330	1006	6.2	6.9
Big Stone	4075	185	4.5	5.2
Blue Earth	27610	1411	4.1	3.9
Brown	15557	726	4.7	5.0
Carlton	11201	1367	12.2	9.2
Cass	11252	751	6.7	7.6
Chippewa	7747	426	5.5	5.1
Clearwater	4037	453	11.2	13.7
Cook	2496	158	6.3	7.0
Cottonwood	7672	449	5.9	5.8
Crow Wing	18734	1265	6.8	7.2
Dodge	9063	497	5.5	6.2
Douglas	14511	774	5.3	5.1
Faribault	11838	541	4.6	4.5
Fillmore	13039	726	5.6	5.8
Freeborn	18374	1037	5.6	6.3
Goodhue	20876	1111	5.3	5.3
Grant	3633	143	3.9	4.1

Area or County	August 1985 Prelim.			
	Labor Force 1/	Unemp.	Unemp. Rate Aug. 1985	Unemp. Rate Year Ago
Houston	10545	493	4.7	4.3
Hubbard	5987	506	8.5	8.8
Itasca	16227	1764	10.9	9.6
Jackson	8685	387	4.5	5.4
Kanabec	5924	601	10.1	8.8
Kandiyohi	18985	874	4.6	4.9
Kittson	3469	292	8.4	8.1
Koochiching	7442	890	12.0	7.8
Lac Qui Parle	[illegible]	216	3.7	5.2
Lake	4527	[illegible]	10.6	10.9
Lake of the Woods	2073	117	[illegible]	6.8
Le Sueur	13945	761	5.5	[illegible]
Lincoln	3988	172	4.3	4.7
Lyon	15555	648	4.2	4.2
McLeod	19221	783	4.1	3.9
Mahnomen	2866	222	7.7	9.2
Marshall	6343	591	9.3	10.2
Martin	14514	750	5.2	5.7
Meeker	11779	849	7.2	7.2
Mille Lacs	9278	643	6.9	7.6
Morrison	13085	1031	7.9	7.9
Mower	18203	951	5.2	5.7
Murray	6335	329	5.2	6.0
Nicollet	14563	621	4.3	4.0
Nobles	12132	650	5.4	5.9
Norman	4936	276	5.6	5.2
Otter Tail	25407	1660	6.5	6.7
Pennington	6254	416	6.7	6.9
Pine	9429	739	7.8	7.5
Pipestone	5935	245	4.1	4.1
Polk	16540	1219	7.4	7.9
Pope	5863	296	5.0	5.2
Red Lake	2151	215	10.0	10.4
Redwood	12256	872	7.1	4.0
Renville	13314	883	6.6	6.1
Rice	23893	1503	6.3	6.3
Rock	5881	176	3.0	2.9
Roseau	6677	357	5.3	6.5
Sibley	8747	402	4.6	4.5
Steele	17294	770	4.5	5.3
Stevens	5821	189	3.2	3.8
Swift	5987	440	7.3	8.9
Todd	11662	663	5.7	6.4
Traverse	2948	102	3.5	3.7
Wabasha	10365	598	5.8	6.3
Wadena	5594	364	6.5	7.3
Waseca	10255	507	4.9	3.9
Watonwan	6754	324	4.8	4.9
Wilkin	4280	245	5.7	4.5
Winona	22805	1386	6.1	6.6
Yellow Medicine	7928	342	4.3	4.1

Technical Notes:

1/ Labor force data is computed according to BLS methodology. The method includes an adjustment to assure that the sum of the substate areas equals the separately estimated State total. This adjustment is applied to all county and MSA areas. County and area unemployment was multiplied by an adjustment factor of 1.38; employment was multiplied by .98. For a more detailed explanation see the Review of Labor and Economic Conditions, Vol 4, No. 4, (February 1978 issue), p. 29.

Labor force is the sum of employment and unemployment; therefore, employment can be derived by subtracting unemployment from the labor force.

Selected Minnesota Program Statistics

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

Claimants for unemployment benefits fell sharply in August, dropping by 6,126 or 16.3 percent. This large percentage decline was considerably steeper than the average July to August decrease of 8.5 percent over the past seven years. Also, most of the industry divisions experienced larger than average percentage declines in August. Moreover, seasonally adjusted data also show that total claimants dropped substantially in August. More than 60 percent of the over-the-month decline occurred in the manufacturing sector where claimants fell by 23.6 percent. Over-the-year, the total number of claimants rose by 6,068 or 23.8 percent. Over 90 percent of the total gain from a year ago took place in manufacturing where claimants jumped by 83 percent from August 1984.

Table 1. Distribution of Insured Unemployed, By Age and Sex, August 1985

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	31560	60.0	100.0	100.0
Under 45	23913	61.0	77.1	73.7
Under 25	4895	60.9	15.8	15.1
25-34	11726	62.5	38.7	34.8
35-44	7292	58.7	22.6	23.8
45 and Over	7647	56.6	22.9	26.3
45-54	4324	55.4	12.7	15.3
55 and Over	3323	53.1	10.2	11.0

Table 2. Distribution of Insured Unemployed By Industry and Occupation, August 1985

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term 1/ Unemployed	Women as Percent of Total
Total, All Industries	31560	100.0	21.8	40.3
Ag., For., Fish.	271	0.9	14.0	39.7
Mining	1125	3.6	2.8	6.1
Construction	2252	7.1	16.4	8.9
Manufacturing	12349	39.1	24.3	37.3
Pub. Utilities	1347	4.3	19.9	27.0
Wholesale Trade	2323	7.4	28.3	27.9
Retail Trade	3699	11.7	24.2	48.0
Fin., Ins., Real Est.	888	2.8	32.7	60.1
Services	6262	19.8	19.2	62.0
Public Admin.	603	1.9	12.4	58.9
Inf. Not Available	441	1.4	2.9	38.7
Total, All Occupations	31560	100.0	21.8	40.3
Prof., Tech., Mgr.	5905	18.7	21.8	44.9
Clerical	4311	13.7	24.4	80.9
Sales	1436	4.6	26.2	33.3
Services	2345	7.4	21.8	56.9
Farm., For., Fish.	194	0.6	16.2	18.9
Processing	1118	3.5	23.2	32.5
Machine Trades	2827	9.0	23.7	17.5
Benchwork	4613	14.6	22.2	56.4
Structural Work	3571	11.3	19.6	5.0
Misc.	4980	15.8	18.3	19.1
Inf. Not Available	260	0.8	12.8	51.3

1/ Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial jobs are least likely to use the J.S., whereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 3. Experienced Supply/Job Openings Demand 1/

Occupation	Applicants (Supply) August 1985	Job Openings (Demand) August 1985	Supply/Demand Ratio	
			August 1985	August 1984
Total	98633	18613	5.3	4.8
Prof., Tech., Mgr.	13445	2107	6.4	7.0
Clerical	16489	3461	4.8	4.4
Sales	5419	1772	3.1	2.1
Dom. Services	1541	232	6.6	7.3
Other Services	12463	5178	2.4	2.2
Farm., Fish., For.	5375	405	13.3	20.2
Processing	1895	1897	1.0	2.6
Machine Trades	6778	548	12.4	6.5
Benchwork	7122	740	9.6	7.2
Structural Work	12935	832	15.5	10.3
Mtr. Frght., Trans.	4129	727	5.7	4.5
Pkg. & Mat. Hndlg.	10057	622	16.2	8.9
Other	985	92	10.7	13.6

1/ Inexperienced and improperly coded job applicants are not included in this table.